

Arizona Department of Water Resources
GROUNDWATER USERS ADVISORY COUNCIL
Tucson Active Management Area
Kenneth Seasholes, Area Director



DEE T. O'NEILL
Chair

DAVID MODEER
Vice-Chair

JOHN MAWHINNEY

JON POST

CHUCK SWEET

Minutes
August 31, 2004

Members Present:

Dee O'Neill, Chair
David Modeer, Vice Chair
John Mawhinney
Chuck Sweet

Staff Present:

Kenneth Seasholes, Area Director
Mary Bauer
John Bodenchuk
Diane Kusel
Jeff Tannler
Virginia Welford

Others:

Beryl Baker, Citizen
Janet Lea Carr, SAWUA
Dave Crockett, FWID
James S. Davis, Errol L. Montgomery & Assoc.
Alan Forrest, Oro Valley Water Utility
Arturo Gabaldon, Community Water Co.
Eric Holler, US Bureau of Reclamation
Kathy Jacobs, UA Water Resources Research Center
Karen LaMartina, Tucson Water
Val Little, Water CASA
Cynthia Stefanovic, AZ State Land Dept.
Warren Tenney, Metro Water District
Sandy Whitney, AWBA
Gerry Wildeman, AWBA
Ron Wong, BKW Farms
Kristen Zimmerman, Pima Assoc. of Governments

1. Call to Order

Chairperson Dee O'Neill called the meeting to order at 9:30A.M. Introductions were made.

2. Approval of Minutes

Chuck Sweet made a motion to approve the minutes of June 15, 2004. John Mawhinney seconded the motion. The minutes were unanimously approved.

3. 2005 Withdrawal Fee

Ken Seasholes reported that the Director of the Arizona Department of Water Resources (ADWR) is required to set withdrawal fees each year by October 1, and the GUAC's role is to forward a recommendation on what those fees should be. Statute sets the floor at \$2.50 and the ceiling at \$3.00. \$2.50 goes to the Arizona Water Banking Authority (AWBA) for its purposes, and the GUAC considers what amount the remainder of the fee should be, up to \$.50.

Though the size of the fund continues to shrink (revenues last year were approximately \$124,000) due to the increase of renewable supplies being used, Mr. Seasholes recommended that the GUAC, once again, support the maximum (\$.50) increment to continue funding for ongoing non-regulatory conservation programs, water management assistance projects, and maintaining subsidence and hydrologic monitoring efforts.

Mr. Seasholes provided a summary on the progress of the four water management assistance projects that were awarded last year. All projects are making good progress and will be discussed in more detail at a future meeting.

Mr. Sweet questioned whether Christina Bickelmann was still being funded through the Conservation Assistance Fund. Mr. Seasholes responded she was and that a letter had been sent to the Director last year, at the request of the GUAC, to recommend her funding be moved to the general fund. This has not occurred. The Director has not formally responded to the letter, but has indicated for quite some time his desire to see more parts of the agency moved off the general fund.

John Mawhinney made a motion to keep the withdrawal fee at \$.50 and David Modeer seconded the motion. The motion passed unanimously.

4. Arizona Water Banking Authority (AWBA) Annual Plan of Operation Development

Mr. Seasholes reported another defined statutory role for the GUAC is to make a recommendation on the AWBA's Annual Plan of Operation. In previous years due to the timing of the Plan's process, there was not sufficient time for the GUAC to thoroughly review the Plan. The GUAC has expressed that it would like to provide more substantial input; therefore, Gerry Wildeman, Technical Administrator of the AWBA, was invited to give an update on the Plan's development.

Ms. Wildeman reported that the AWBA has been meeting with partners to determine their level of participation for storing water. The AWBA is starting to lose capacity in many facilities in Maricopa County because the AWBA has last priority with respect to both water and capacity, and the cities are starting to increase their participation.,

The preliminary estimate of available water the AWBA will receive from CAP is between 270,000-280,000 acre-feet, based on a three-year forecast. Due to the AWBA's priority status, this amount can very well change, depending on what water orders come in. Orders should be submitted to CAP by October 1; currently it does not look like this timeframe will occur.

In the past there were three sources of funds for the AWBA: general fund, withdrawal fees, and the 4-cent ad valorem tax. The general fund no longer exists for AWBA activities. Recently, the Institutional Policy Advisory Group (IPAG) expressed its desire that all withdrawal fees and 4-cent tax monies be applied towards firming Municipal and Industrial (M&I) CAP subcontracts in the TAMA, although it is projected there will be a shortfall of money to fully utilize capacity in 2005. There has been a loss of flexibility in the Plan for all participants as a result of a \$9 million sweep by the legislature.

There has not been any indication of extensive groundwater saving facilities participation in the TAMA for 2005 and has been limited in the past by the \$21/acre-foot cost share. The cost share increased to \$28/acre-foot in 2004 and may increase to \$30/acre-foot in 2005, which will still be below the Ag pool water cost of \$32/acre-foot.

In 2005 Arizona's 2.8 million-acre-foot entitlement of Colorado River water will not be affected by the US Bureau of Reclamation's (USBR) Annual Operating Plan process, which should be finalized in November. By November 15, CAP should make its final Colorado River diversion requests to the USBR. In 2002 CAP's diversion order didn't reach the USBR until December 1 because of all the uncertainty in water orders.

Sometime between September 15 and December 9 a draft Plan is presented to all GUACs, as the AWBA is required to submit a Preliminary Plan of Operation by December 15. The Plan's contents can change very little or drastically, since it's based on past information provided by the partners, as well as their current needs. The approved Plan of Operation must be submitted by January 1.

Ms. Wildeman continued by reviewing very preliminary numbers for storage in the TAMA. With existing carryover and projected dollars that will be collected in 2005, there is approximately \$5.7 million to be spent in the TAMA. Preliminary water delivery estimates show Tucson's underground storage facilities and groundwater saving facilities will cost \$4,758,800, assuming \$43 acre-foot is paid by the AWBA and \$30 acre-foot is paid by the partners. Charges to store water at the facilities are estimated to be \$783,600, resulting in \$5,542,400 in expenditures for 2005. These expenditures purchase 65,600 acre-feet of storage, which fully utilizes all available funds. Compared to 2004, storage in 2005 will be roughly 10,000 acre-feet less. Absent of getting a general fund appropriation on an annual basis, the availability of water is not an issue; it's funding.

Ms. Wildeman concluded by saying that the Plan should be more "fine-tuned" by the time it is presented to the GUAC in November.

5. Governor's Drought Task Force

Sandy Whitney, ADWR, reported on the Arizona Drought Preparedness Plan produced by the Governor's Drought Task Force. The Plan is out for public review and meetings have been scheduled for comment. A Monitoring Committee was created to assist in identifying the onset of drought conditions and throughout the process Impact Assessment Workgroups were created and utilized for the following sectors: 1) Municipal and Industrial; 2) Irrigated Agriculture; 3) Environmental Health, Watershed Management, Livestock and Wildlife; 4) Commerce, Recreation and Tourism, and 5) Tribal.

The Operational section of the Plan requires certain structures be put into place that identifies impacts of drought on a sector and regional basis. Potential drought response adaptations and mitigations have also been identified, which include a monitoring approach and implementation plan.

The Sector Impacts, Regional Vulnerabilities, Monitoring Efforts & Response section of the Plan was based on information compiled by the individual working groups and is the piece that provides the basis for identifying the options (response or mitigation) that are appropriate for a certain water user(s) or region(s).

The options are intended to provide alternatives that can be implemented at a local or state level to address impacts from drought or to address reducing vulnerability to drought. The goal is to provide policy makers with options that are viable to create a plan that is workable for their region.

There are seven climate divisions, based on county boundaries, being used for the monitoring approach. The monitoring approach identifies key indicators (examples - precipitation, groundwater levels, soil moisture, stream flow, reservoir levels, etc.) for each water-using sector. These indicators are used for setting trigger levels. The key indicators will continue to be monitored throughout the state on a monthly basis. When a key indicator is triggered in a climate division, the Monitoring Committee will closely monitor that climate division and work to identify where the drought is beginning to emerge.

The implementation plan provides a structure to facilitate an action plan that assesses and responds to the three different levels of drought identified: 1) monitoring unusual dryness, 2) drought alert, and 3) drought emergency. The structure is made of up three committees assigned specific responsibilities for implementing the Plan: 1) Monitoring Committee, 2) Local Area Impact Assessment Group, and 3) Interagency Coordinating Group, with ADWR being the lead facilitator.

The Governor's Drought Task Force supports the following general recommendations made by the Impact Assessment Workgroups, as well as the Monitoring Committee to ensure a sustainable drought planning process:

- Seek funding for a Drought Coordinator and two half time staff members.
- Facilitate coordinated water planning between city, county and water providers.

- Require all potable water systems to develop drought contingency plan.
- Provide consistent and coordinated water supply information.
- Immediately initiate the Local Area Impact Assessment Groups to identify and address their local needs.

Additional information on the Arizona Drought Preparedness Plan can be found at <http://www.water.az.gov/gdtf>.

6. Institutional and Policy Advisory Group (IPAG)

Ken Seasholes reported the GUAC recommended that the \$2.50 portion of withdrawal fees be used for M&I CAP subcontract firming purposes in the TAMA. As a result of this recommendation, the IPAG has been meeting to discuss what the priorities should be on locations for storage. Due to the many uncertainties involved in recovery planning of stored water in the TAMA, the IPAG intends to continue to work with the AWBA staff as the Annual Plan is developed. IPAG has asked the GUAC to approve the following two motions directed to the AWBA:

Motion #1

- Whereas the Tucson AMA is projected to have a shortfall in the number of credits generated with the 4-cent ad valorem tax for the purpose of firming M&I CAP subcontracts, and
- Whereas a shortfall could result in an increase in future groundwater pumping, and
- Whereas ongoing severe drought conditions in the Colorado River basin have significantly increased the probability of reductions in water supply for the Central Arizona Project over the next decade, and
- Whereas ADWR has determined that M&I firming can be considered a water management benefit.

The Tucson AMA GUAC recommends that credits developed by the AWBA from Withdrawal Fees be applied towards firming of M&I CAP subcontracts. The GUAC requests that the Authority adopt a policy formalizing that commitment and that the accounting of these credits specifically reflect their firming purpose.

Motion #2

The GUAC recommends that for 2005 the AWBA:

- Utilize all available funds and capacity until either is exhausted;
- Storage locations should take into consideration the relative size of the subcontracts and the preferences of the subcontractors;
- Utilize available capacity at CAVSRP first, then Pima Mine Road, while ensuring at least a proportionate share in the northwest USF and GSF facilities.

John Mawhinney made a motion to approve IPAG's Motion #1. Dave Modeer seconded the motion, and it was unanimously approved.

Chuck Sweet made a motion to approve IPAG's Motion #2. Dave Modeer seconded the motion, and it was unanimously approved.

7. Area Director's Report

Ken Seasholes reported that Mr. Mawhinney requested the GUAC be given an update on where the TAMA is relative to safe-yield and water use. Data is being compiled to produce a water budget, and Mr. Seasholes would like to discuss the data at one of the upcoming GUAC meetings.

Another issue to be placed on the agenda at an upcoming GUAC meeting is the utilization of non-Indian agricultural settlement pool CAP water, which became available last year and is priced at \$32/acre-foot. Of the 400,000 acre-feet of water available (diminishing over 30 years), 14,397 acre-feet was allocated to the TAMA last year but not all of it was used; therefore, it went to other AMAs. There are several factors as to why this water wasn't fully utilized, primarily because it's cheaper to pump groundwater, but it makes good water management sense to explore options to use the entire amount.

8. Public Comment

There was no public comment.

9. Date and Agenda for Next Meeting

The next meeting of the GUAC will be held on Wednesday, November 10, 2004 at 9:30 a.m.

10. Adjournment

The meeting was adjourned at 11:20 a.m.